

**JEFFERSON DAVIS PARISH POLICE JURY
JENNINGS, LOUISIANA**

Annual Financial Statements

As of December 31, 2005 and for the Year Then Ended

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-16-06

JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana

Annual Financial Statements
As of and for the Year Ended December 31, 2005
With Supplemental Information Schedules

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**INDEPENDENT AUDITOR'S REPORT ON
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

To the Jefferson Davis Parish Police Jury
Jennings, Louisiana

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information on the Jefferson Davis Parish Police Jury as of and for the year ended December 31, 2005, which collectively comprise the basic financial statements of the Police Jury's primary government as listed in the table of contents. These basic financial statements are the responsibility of the Police Jury's management. My responsibility is to express opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Police Jury's internal controls over financial reporting. Accordingly, I express no such opinion. An audit includes examining, on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

The financial statements referred to above include only the primary government of the Jefferson Davis Parish Police Jury, which consist of all funds, organizations, institutions, agencies, departments, and offices that comprise the Jefferson Davis Parish Police Jury. The financial statements do not include financial data for all of the Police Jury's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the Police Jury's primary government unless the Police Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Police Jury has not issued such reporting entity financial statements.

In my opinion, because of the omission of the discretely presented component units, as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of the Jefferson Davis Parish Police Jury, as of December 31, 2005, or the changes in financial position thereof for the year then ended.

In my opinion, the primary government financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson Davis Parish Police Jury, as of December 31, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated August 1, 2006 on my consideration of the Jefferson Davis Parish Police Jury's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The Jefferson Davis Parish Police Jury has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The Budgetary Comparison Schedules, as listed in the table of contents, are not a required part of the primary government financial statements but are supplementary information required by the Government Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Police Jury's basic financial statements of the primary government. The accompanying supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the primary government financial statements. Such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in my opinion, is fairly stated in all material respects in relation to the primary government financial statements taken as a whole.

Edward L. Krielow

Certified Public Accountant

Jennings, Louisiana
August 1, 2006

Basic Financial Statements

STATEMENT A

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA

Statement of Net Assets

December 31, 2005

| | PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES |
|---|---|
| ASSETS | |
| Cash and cash equivalents | \$ 4,178,586 |
| Investments | 607,094 |
| Receivables | 474,078 |
| Due from component units | 209,000 |
| Prepaid Items | 16,937 |
| Restricted cash and cash equivalents | 69,771 |
| Restricted cash held for protested taxes | 434 |
| Capital assets (net) | <u>7,241,123</u> |
| TOTAL ASSETS | <u>\$ 12,797,023</u> |
| LIABILITIES | |
| Accounts, salaries, and other payables | \$ 927,412 |
| Contracts payable | - |
| Deferred revenues | 162,062 |
| Current portion of bonds payable | 111,000 |
| Bonds payable | <u>888,000</u> |
| TOTAL LIABILITIES | <u>\$ 2,088,474</u> |
| NET ASSETS | |
| Invested in capital assets, net of related debt | \$ 6,312,123 |
| Restricted for: | |
| Capital projects | (84,314) |
| Debt service | 50,093 |
| Unrestricted | <u>4,430,643</u> |
| TOTAL NET ASSETS | <u>\$ 10,708,545</u> |

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA

Statement of Activities

For the Year Ended December 31, 2005

| | Program Revenues | | | | Net (Expenses) Revenues and Changes of Primary Governmental Activities |
|--|------------------|-------------------------|--|------------|--|
| | Expenses | Charges for Services | Operating Grants and Contributions | | |
| | | | Capital Grants & Contributions | | |
| Governmental Activities | | | | | |
| General government | \$ 3,240,749 | \$ 1,995,609 | \$ - | \$ 3,342 | \$ (1,241,798) |
| Public safety | 1,304,039 | 369,187 | 152,255 | 103,651 | (678,946) |
| Public works | 1,464,085 | - | 452,118 | 68,365 | (943,602) |
| Cultural and recreation | 37,020 | 14,057 | - | - | (22,963) |
| Health and welfare | 597,998 | 5,658 | 556,299 | - | (36,041) |
| Economic development | 11,272 | - | 10,000 | - | (1,272) |
| Hurricane costs | 794,373 | - | 908,075 | 13,066 | 126,768 |
| Interest on long-term debt | 35,668 | - | - | - | (35,668) |
| Total Governmental Activities | \$ 7,485,204 | \$ 2,384,511 | \$ 2,078,747 | \$ 188,424 | \$ (2,833,522) |
| | | | | | |
| General Revenues: | | | | | |
| Property taxes | | | | | \$ 2,145,813 |
| State revenue sharing | | | | | 139,511 |
| Severance taxes | | | | | 760,112 |
| Occupational licenses | | | | | 207,063 |
| Grants and contributions not restricted to specific programs | | | | | 223,506 |
| Investment earnings | | | | | 97,488 |
| Other general revenues | | | | | 47,810 |
| Total general revenues and transfers | | | | | \$ 3,621,303 |
| | | | | | |
| Change in Net Assets | | | | | \$ 787,781 |
| | | | | | |
| Net assets-beginning | | | | | 9,920,764 |
| Net assets-ending | | | | | \$ 10,708,545 |

The accompanying notes are an integral part of this statement.

STATEMENT C

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA

Balance Sheet, Governmental Funds

December 31, 2005

| | MAJOR FUNDS | | | | | | TOTAL GOVERNMENTAL FUNDS |
|--|-----------------|-------------------------------------|---------------------------|---|----------------------------|--------------------------------|--------------------------------|
| | GENERAL FUND | E-911 COMMUNICATIONS DISTRICT | CRIMINAL COURT FUND | COURTHOUSE & JAIL MAINTENANCE FUND | SPECIAL REVENUE FUND | OTHER GOVERNMENTAL FUNDS | |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 693,775 | \$ 755,648 | \$ 64,685 | \$ 508,909 | \$ 860,108 | \$ 1,105,343 | \$ 3,988,468 |
| Cash held for protested taxes | 34,930 | - | - | 18,731 | - | 136,455 | 190,116 |
| Investments | - | - | - | 436,267 | - | 170,827 | 607,094 |
| Receivables | 33,815 | 50,651 | 117,894 | - | - | 177,037 | 379,397 |
| Due from other funds | 99,687 | - | - | 6,524 | - | 58,606 | 165,017 |
| Due from component units | 209,000 | - | - | - | - | 0 | 209,000 |
| Restricted cash and cash equivalents | - | - | - | - | - | 69,771 | 69,771 |
| Restricted cash held for protested taxes | - | - | - | - | - | 434 | 434 |
| TOTAL ASSETS | \$ 1,071,207 | \$ 806,299 | \$ 182,579 | \$ 970,431 | \$ 860,108 | \$ 1,718,673 | \$ 5,609,297 |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts, salaries, and other payables | \$ 519,742 | \$ 177 | \$ 79,128 | \$ 42,918 | \$ - | \$ 285,448 | \$ 927,413 |
| Contracts payable | - | - | - | - | - | - | - |
| Due to other funds | 65,330 | - | 51,726 | - | 20,000 | 27,961 | 165,017 |
| Deferred revenues | 57,354 | - | - | 23,980 | - | 80,729 | 162,063 |
| Total Liabilities | \$ 642,426 | \$ 177 | \$ 130,854 | \$ 66,898 | \$ 20,000 | \$ 394,138 | \$ 1,254,493 |
| Fund balances: | | | | | | | |
| Reserved for: | | | | | | | |
| Capital projects | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 7,735 | \$ 7,735 |
| Debt services | - | - | - | - | - | 60,431 | 60,431 |
| Unreserved, reported in: | | | | | | | |
| General Fund | 428,781 | 806,122 | 51,725 | 903,433 | 840,108 | 1,256,369 | 428,781 |
| Special revenue funds | - | - | - | - | - | - | 3,857,857 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 1,071,207 | \$ 806,299 | \$ 182,579 | \$ 970,431 | \$ 860,108 | \$ 1,718,673 | \$ 5,609,297 |

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA

Reconciliation of The Governmental Funds Balance Sheet
to The Government-Wide Financial Statement of Net Assets

December 31, 2005

Amounts reported for governmental activities in the Statement of Net Assets are different because:

| | | |
|---|--------------------|-----------------------------|
| Fund Balances, Total Governmental Funds (Statement C) | | \$ 4,354,804 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | | |
| Capital Assets | \$ 13,121,771 | |
| Less: Accumulated Depreciation | <u>(5,880,649)</u> | 7,241,122 |
| Other assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds. | | |
| Prepaid Items | 16,937 | |
| Receivables collected beyond 60 days of year-end | <u>94,682</u> | 111,619 |
| Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds. | | |
| Bonds Payable | | <u>(999,000)</u> |
| Net Assets of Governmental Activities (Statement A) | | <u><u>\$ 10,708,545</u></u> |

The accompanying notes are an integral part of this statement.

STATEMENT E

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA

Statement of Revenues, Expenditures and
and Changes in Fund Balances
Governmental Funds

For the Year Ended December 31, 2005

| | MAJOR FUNDS | | | | | | TOTAL GOVERNMENTAL FUNDS |
|--|-----------------|-------------------------------------|---------------------------|---|----------------------------|--------------------------------|--------------------------------|
| | GENERAL FUND | E-911 COMMUNICATIONS DISTRICT | CRIMINAL COURT FUND | COURTHOUSE & JAIL MAINTENANCE FUND | SPECIAL REVENUE FUND | OTHER GOVERNMENTAL FUNDS | |
| REVENUES | | | | | | | |
| Taxes: | | | | | | | |
| Ad valorem | \$ 432,297 | \$ - | \$ - | \$ 278,477 | \$ - | \$ 1,435,039 | \$ 2,145,813 |
| Other taxes, penalties, interest, etc. | 4,772 | - | - | - | - | - | 4,772 |
| Licenses and permits | 207,063 | - | - | - | - | - | 207,063 |
| Inter-governmental revenues: | | | | | | | |
| Federal grants | 756,757 | - | - | 6,524 | - | 775,690 | 1,538,971 |
| State funds | - | - | - | - | - | - | - |
| Parish transportation funds | 881,643 | - | - | 25,865 | - | 308,592 | 308,592 |
| State revenue sharing (net) | 23,418 | - | - | - | - | 155,276 | 1,062,784 |
| Other | - | - | - | - | - | 65,329 | 88,747 |
| Local | 15,222 | - | - | 9,000 | 214,286 | 47,477 | 285,985 |
| Other | 44,415 | - | - | - | - | - | 44,415 |
| Fees, charges, and commissions for services | - | - | 1,977,369 | - | - | - | 1,977,369 |
| Fines and forfeitures | - | 17,414 | 721 | 25,252 | 15,475 | 26,059 | 97,489 |
| Investment earnings | 20,900 | 353,252 | 100 | - | - | 59,418 | 433,670 |
| Other revenues | - | - | - | - | - | - | - |
| Total Revenues | \$ 2,399,055 | \$ 370,666 | \$ 1,978,190 | \$ 345,118 | \$ 229,761 | \$ 2,872,880 | \$ 8,195,670 |
| EXPENDITURES | | | | | | | |
| General government | \$ 767,209 | \$ - | \$ 1,925,006 | \$ 351,247 | \$ - | \$ 625 | \$ 3,044,087 |
| Public safety | 266,914 | 187,787 | - | - | - | 594,764 | 1,049,465 |
| Public works | - | - | - | - | - | 1,330,259 | 1,330,259 |
| Cultural and recreation | 37,020 | - | - | - | - | - | 37,020 |
| Health and welfare | 53,178 | - | - | - | - | - | 53,178 |
| Economic development | 11,272 | - | - | - | - | 544,820 | 597,998 |
| Debt service | - | - | - | - | - | - | - |
| Capital outlay | 30,811 | - | 10,869 | 2,082 | 13,116 | 119,668 | 119,668 |
| Hurricane expenses | 730,937 | - | - | 5,823 | - | 463,293 | 520,171 |
| Other | - | - | - | - | 27 | 57,613 | 794,373 |
| Total Expenditures | \$ 1,897,341 | \$ 187,787 | \$ 1,935,875 | \$ 359,132 | \$ 13,143 | \$ 3,111,044 | \$ 7,504,342 |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | \$ 501,714 | \$ 182,879 | \$ 42,315 | \$ (14,034) | \$ 216,618 | \$ (238,164) | \$ 691,328 |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers in | \$ - | \$ - | \$ - | \$ - | \$ 6 | \$ 399,476 | \$ 399,482 |
| Transfers out | (295,000) | - | - | - | (60,001) | (44,481) | (399,482) |
| Proceeds from certificate of indebtedness | - | - | - | - | - | 170,000 | 170,000 |
| Sale of capital assets | - | - | - | - | - | 12,644 | 12,644 |
| Total Other Financing Sources and Uses | \$ (295,000) | \$ - | \$ - | \$ - | \$ (59,995) | \$ 537,639 | \$ 182,644 |
| Net Change in Fund Balance | \$ 206,714 | \$ 182,879 | \$ 42,315 | \$ (14,034) | \$ 156,623 | \$ 299,475 | \$ 873,972 |
| Fund balances - beginning | 170,341 | 623,243 | 61,136 | 917,567 | 683,485 | 1,025,060 | 3,480,832 |
| Residual equity transfers in (out) | 51,726 | - | (51,726) | - | - | - | - |
| Fund balances - ending | \$ 428,781 | \$ 806,122 | \$ 31,725 | \$ 903,533 | \$ 840,108 | \$ 1,324,535 | \$ 4,364,804 |

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA

**Reconciliation of The Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities**

For the Year Ended December 31, 2005

Amounts reported for governmental activities in the Statement of Activities are different because:

| | |
|---|-------------------|
| Net Change in Fund Balances, Total Governmental Funds, Statement E | \$ 873,972 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period. | (51,460) |
| The net effect of various miscellaneous transactions involving capital assets is to decrease net assets. | (14,741) |
| Revenue in the statement of activities that do not provide current resources are not reported as revenues in the funds. | 64,682 |
| The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | (86,000) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | <u>1,329</u> |
| Change in Net Assets of Governmental Activities, Statement B | <u>\$ 787,782</u> |

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year ended December 31, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

The Jefferson Davis Parish Police Jury is the governing authority for Jefferson Davis Parish and is a political subdivision of the State of Louisiana. The police jury is governed by 13 jurors representing the various districts within the parish. The jurors serve four-year terms, which expire on January 14, 2008.

Louisiana Revised Statutes 33:1236 gives the police jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of these are the power to make regulations for its own government; to regulate the construction and maintenance of roads, bridges, and drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

Jefferson Davis Parish occupies 650 square miles with a population of approximately 31,400. The police jury maintains approximately 604 miles of roads, 132 paved and 472 gravel. Police jury offices are located in the Sidney Briscoe Jr. building next to the parish courthouse in Jennings with road maintenance facilities located at five primary locations within the parish.

The accounting and reporting policies of the Jefferson Davis Parish Police Jury conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The Government Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting policies. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Jefferson Davis Parish Police Jury is the financial reporting entity for Jefferson Davis Parish. The financial reporting entity consists of (a) the primary government (Police Jury), (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Government Accounting Standards Board (GASB) Statement No. 14 establishes criteria for determining the governmental reporting entity and component units that should be considered part of the Jefferson Davis Parish Police Jury for financial reporting purposes. Under provisions of this statement, the jury is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the police jury may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana

Notes to the Financial Statements
 As of and for the Year ended December 31, 2005

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on the organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the police jury has determined that the following component units are part of the reporting entity:

| <u>Component Unit</u> | <u>Fiscal Year End</u> | <u>Criteria Used</u> |
|--|----------------------------|--------------------------|
| Jefferson Davis Parish Library | December 31 | 1, 1a and 3 |
| Mosquito Abatement District No. 1 | December 31 | 1, 1a and 3 |
| Airport District No. 1 | April 30 | 1, 1a and 3 |
| Consolidated Gravity Drainage District No. 1 | December 31 | 1, 1a and 3 |
| Welsh Gravity Drainage District No. 1 | December 31 | 1, 1a and 3 |
| Gravity Subdrainage District A of Gravity Drainage District No. 1 | December 31 | 1, 1a and 3 |
| Gravity Drainage Districts: | | |
| No. 5 | December 31 | 1, 1a and 3 |
| No. 6 | December 31 | 1, 1a and 3 |
| No. 7 | December 31 | 1, 1a and 3 |
| No. 9 | December 31 | 1, 1a and 3 |
| Grand Marais Drainage District | December 31 | 1, 1a and 3 |
| Nezpique Drainage District | December 31 | 1, 1a and 3 |
| Broadmore Drainage District | December 31 | 1, 1a and 3 |
| Jefferson Davis Parish Central Waterworks | December 31 | 1, 1a and 3 |
| Waterworks Districts: | | |
| No. 4 | December 31 | 1, 1a and 3 |
| Hospital District #1 | December 31 | 1, 1a and 3 |
| Jefferson Davis Parish Sheriff's Office | June 30 | 1b and 3 |
| Jefferson Davis Parish Water & Sewer Commission #1 | December 31 | 1, 1a and 3 |

The police jury has chosen to issue financial statements of the primary government (police jury) only; therefore, none of the previously listed component units are included in the accompanying financial statements. Financial statements for these component units can be obtained from the individual component units.

JEFFERSON DAVIS PARISH POLICE JURY

Jennings, Louisiana

Notes to the Financial Statements

As of and for the Year ended December 31, 2005

These primary government (police jury) financial statements include all major funds, aggregate non-major funds and organizations for which the police jury maintains the accounting records. The Thirty-First Judicial District Criminal Court Fund for which the police jury maintains the accounting records is considered part of the primary government (police jury).

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (police jury) financial statements are not a substitute for the reporting entity's financial statements. The police jury has chosen to issue financial statements of the primary government only. As such, these financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

Considered in the determination of component units of the reporting entity were the Clerk of Court, Tax Assessor, School Board, Sanitary Landfill Commission, the District Attorney for the Thirty-First Judicial District, and the various municipalities in the parish. It was determined that these governmental entities are not component units of the Jefferson Davis Parish Police Jury reporting entity. All are governed by independently elected officials except the Landfill Commission which has Commissioners appointed by the member governments (see Note 17). The police jury, primary government, neither appoints governing boards nor designates management, the entities are legally separate, and are fiscally independent of the Jefferson Davis Parish Police Jury. They are considered by the police jury to be separate, autonomous governments and issue financial statements separate from those of the Jefferson Davis Parish Police Jury reporting entity.

Joint Venture

Jefferson Davis Parish Landfill Commission-A jointly owned commission with the Cities of Jennings, Welsh and Lake Arthur was formed to provide a solid waste disposal facility for its member-owners. This commission has not been included in the reporting entity.

B. BASIS OF PRESENTATION

Government-Wide Financial Statements:

The government-wide financial statements include the statement of net assets and the statement of activities, that report financial information for the primary government (Jury). For the most part, the effect of interfund activity has been removed from these statements. Individual funds are not displayed but the statements report governmental activities, which normally are supported by taxes and intergovernmental revenues. The jury has no business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues included: (1) charges for services which report licenses, permits, fees, fines, and forfeitures, and other charges to users of the jury's services; (2) operating grants and contributions which finance annual operating activities; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year ended December 31, 2005

Fund Financial Statements (FFS)

The accounts of the police jury are organized on the basis of funds each of which is considered a separate accounting entity with a separate set of self-balancing accounts. Fund financial statements are provided for governmental funds with major individual government funds reported in separate columns and a composite column for non-major government funds. A fund is considered major if it is the primary operating fund of the police jury or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The major funds of the police jury are described below:

Major Governmental Funds

General Fund - The General Fund is the general operating fund of the police jury. It is used to account for all financial resources except those required to be accounted for in another fund.

E-911 Communications District - The E-911 Communications District Fund accounts for revenues and expenditures for the developing, maintaining, and operating of a parish-wide emergency 911 system. Means of financing is provided through telephone user charges.

Criminal Court Fund - The Thirty-First Judicial District Criminal Court Fund is established under Section 571.11 of Title 15 of the Louisiana Revised Statutes of 1950, which provides that fines and forfeitures imposed by the district courts and district attorney conviction fees in criminal cases are to be transferred to the parish treasurer and deposited into a special criminal court fund, to be used for the expenses of the criminal court of the parish. Expenditures are made from the fund on motion of the district attorney and approval of the district judge. The statute requires that one-half of the funds (fund balance) remaining in the criminal court fund at December 31 of each year be transferred to the parish General Fund.

Courthouse Maintenance Fund - The Courthouse Maintenance Fund accounts for maintenance and upkeep of the parish courthouse and jail. Major means of financing is provided by ad valorem taxes and state revenue sharing funds.

Special Revenue Account Fund - The Special Revenue Account Fund accounts for monies distributed by the Jefferson Davis Parish Sanitary Landfill Commission as a return of previous police jury investments in the landfill joint venture (see Note 17). The funds are available for use at the discretion of the Police Jury.

JEFFERSON DAVIS PARISH POLICE JURY
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Notes to the Financial Statements
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C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem tax revenues and related state revenue sharing are recognized in the budgetary period the taxes are intended to finance while grants are recognized when grantor eligibility requirements are met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable when the amount of the transaction can be determined. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures.

Revenues - Ad valorem taxes and the related state revenue sharing are recorded as revenue in the budgetary period the taxes are intended to finance. Ad valorem taxes are assessed on a calendar-year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Federal and state grants are recognized when the police jury is entitled to the funds.

Fines, forfeitures, and court costs are recognized in the year they are received by the parish tax collector.

Interest income on time deposits is recognized when interest is earned.

Substantially all other revenues are recognized when they become available to the police jury.

Based on the above criteria, federal and state grants, and fines, forfeitures, and court costs have been treated as susceptible to accrual.

Expenditures - Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on long-term obligations, which are recognized when due.

Other Financing Sources (Uses) - Sale of fixed assets, increases in capital lease purchases, and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

JEFFERSON DAVIS PARISH POLICE JURY
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Notes to the Financial Statements
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D. BUDGET PRACTICES

Proposed budgets for the ensuing year are prepared by the secretary-treasurer with assistance from the assistant secretary-treasurer, prior to December 31 of each year. Upon completion, copies of the proposed budgets are reviewed by the finance committee and changes are made if necessary. The availability of the proposed budget for public inspection and the dates of the public hearing on the budgets are then advertised in the official journal. During its regular December meeting, the police jury conducts a public hearing to receive input from the public and other interested parties. Changes are made to the proposed budgets based on the public hearing and desires of the police jury as a whole. The budgets are then adopted, and notice is published in the official journal. The 2005 budget was adopted on December 29, 2004.

The secretary-treasurer presents necessary budget amendments to the police jury during the year when, in her judgment, actual operations may differ materially from those anticipated in the original budget. During a regular meeting, the police jury reviews the proposed amendments, makes changes as it feels necessary, and formally adopts the amendments. The adoption of the amendments is included in the police jury minutes published in the official journal.

The budget is prepared on a cash basis of accounting. For the year ended December 31, 2005, the police jury adopted cash basis budgets for the general fund and all special revenue funds, debt service funds, and capital projects funds. Formal budget accounts are integrated into the accounting system during the year as a management control device, and the budget is amended with the approval of the police jury when necessary. Unexpended appropriations lapse at year end and must be re-appropriated in the next year's budget to be expended. Formal encumbrance accounting is not utilized by the police jury. Budget amounts included in the accompanying financial statements include the original and final adopted budget amounts.

E. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include amounts in demand deposits and investments with original maturities of three months or less from the date of acquisition. Under state law, the jury may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

State law and the jury's investment policy allow the jury to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of time deposits exceed 90 days, they are classified as investments. As of December 31, 2005, the jury's investments consist of non-negotiable certificates of deposit that are reported at cost, which approximates market value.

F. INTERFUND RECEIVABLES AND PAYABLES

Short-term cash loans between funds are considered temporary in nature. These amounts are reported as "due from/to other funds" on the balance sheet.

JEFFERSON DAVIS PARISH POLICE JURY
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Notes to the Financial Statements
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G. RECEIVABLES

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received, except revenue specifically budgeted to finance future periods. Major receivable balances for the governmental activities include grant and other intergovernmental receivables.

H. UNCOLLECTIBLE ALLOWANCE

The statements contain no provision for uncollectible accounts. Jury management is of the opinion that such allowance would be immaterial in relation to the financial statements taken as a whole.

I. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items consist of unexpired portions of insurance premiums. Prepaid items in the governmental funds are reported only on the government-wide financial statements.

J. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) acquired after December 31, 2003, are reported in the applicable governmental activity columns in the governmental-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The police jury maintains a threshold level of \$1,000 or more for capitalizing capital assets. The police jury has elected, as a Type III governmental body under the provisions of GASB 34, to omit the capitalization of infrastructure assets constructed in years prior to 2004, their year of implementation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

| <u>Description</u> | <u>Estimated Lives</u> |
|---------------------------------|----------------------------|
| Roads, bridges & infrastructure | 20-30 years |
| Building improvements | 10 years |
| Buildings | 20-40 years |
| Computers & office equipment | 5-10 years |
| Machinery & equipment | 5-15 years |

JEFFERSON DAVIS PARISH POLICE JURY

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Notes to the Financial Statements

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K. COMPENSATED ABSENCES

Substantially, all employees of the police jury earn two weeks of vacation leave after one year of employment and each year thereafter. Employees also earn one day of sick leave for each month's work and is cumulative from year to year up to a maximum of 60 days. Upon termination, whether voluntary or involuntary, unused leave is forfeited. There are no accumulated and vested benefits relating to vacation and sick leave that require disclosure to conform with generally accepted accounting principles for these employees. However, employees at the Registrar of Voters office are allowed to accumulate up to 300 hours of annual leave.

L. DEFERRED REVENUE

Deferred revenues arise when a potential revenue does not meet the revenue recognition criteria. On government-wide and fund financial statements, ad valorem taxes received that are not intended to finance the current budgetary period are recorded as deferred revenue.

M. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. The fund financial statements recognize proceeds of debt as other financing sources of the current period. Expenditures for long-term debt principal and interest payments are recorded in the fund financial statements in the year due.

N. EQUITY CLASSIFICATIONS

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets."

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

It is the police jury's policy to first apply restricted resources when an expense is incurred for purposes for which restricted and unrestricted net assets are available.

JEFFERSON DAVIS PARISH POLICE JURY
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Notes to the Financial Statements
As of and for the Year ended December 31, 2005

O. RESERVED FUND BALANCES OF FUND FINANCIAL STATEMENTS

Reserves represent those portions of fund balance that are not appropriable for expenditures or that are legally segregated for a specific purpose. Designated fund balances represent tentative management plans for future use of financial resources and are subject to change.

P. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates

Q. INTERFUND TRANSFERS

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following individual funds had actual expenditures over budgeted appropriations for the year ended December 31, 2005:

| <u>Fund</u> | <u>Unfavorable Variance</u> |
|-------------------------------|---------------------------------|
| Courthouse & Jail Maintenance | \$ 140 |
| Parish Road Fund | 175 |

DEFICITS

No individual funds had deficits in unreserved fund balance (net assets) at December 31, 2005.

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Notes to the Financial Statements
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3. AD VALOREM TAXES

MILLAGE

Taxes are levied on November 15 and payable by December 31. The Jefferson Davis Parish Sheriff's office bills and collects the property taxes on behalf of the police jury.

The following is a summary of authorized and levied ad valorem taxes in effect at December 31, 2005.

| | <u>Authorized Millage</u> | <u>Levied Millage</u> | <u>Expiration Date</u> |
|--|-------------------------------|---------------------------|----------------------------|
| Parishwide taxes: | | | |
| General (inside municipalities) | 2.54 | 2.54 | Statutory |
| General (outside municipalities) | 5.08 | 5.08 | Statutory |
| Courthouse maintenance | 2.61 | 2.61 | Statutory |
| District taxes: | | | |
| Road District No. 10 maintenance | 11.33 | 11.33 | 2013 |
| Road District No. 11 maintenance | 11.50 | 10.50 | 2007 |
| Road District No. 12 maintenance | 10.94 | 10.94 | 2012 |
| Sub-road District No. 1 of Road District No. 11 maintenance | 10.32 | 10.32 | 2004 |
| Sub-road District No. 2 | 14.00 | 14.00 | 2013 |
| Fire Protection Districts: | | | |
| No. 1 maintenance | 10.34 | 10.34 | 2008 |
| No. 1 special | 10.00 | 10.00 | 2013 |
| No. 2 maintenance | 10.80 | 10.80 | 2008 |
| No. 3 maintenance | 5.08 | 5.08 | 2008 |
| No. 3 special | 3.59 | 3.59 | 2013 |
| No. 4 maintenance | 6.91 | 6.91 | 2008 |
| No. 4 special | 5.00 | 5.00 | 2004 |
| No. 5 maintenance | 5.02 | 5.02 | 2005 |
| No. 5 special | 5.06 | 5.06 | 2008 |
| No. 6 maintenance | 8.53 | 8.53 | 2008 |
| No. 6 special | 5.53 | 5.53 | 2014 |
| No. 7 maintenance | 7.99 | 7.99 | 2008 |
| No. 7 bond and coupon | 11.00 | 11.00 | 2013 |

JEFFERSON DAVIS PARISH POLICE JURY
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Notes to the Financial Statements
As of and for the Year ended December 31, 2005

4. CASH, CASH EQUIVALENTS, AND INVESTMENTS

A. CASH AND CASH EQUIVALENTS

At December 31, 2005, the police jury has cash and cash equivalents (book balances) totaling \$4,248,789 as follows:

| | |
|-------------------------------|--------------------|
| Cash held for protested taxes | \$ 190,549 |
| Demand deposits | 3,054,912 |
| Time deposits | <u>1,003,328</u> |
| Total | <u>\$4,248,789</u> |

These deposits are stated at cost, which approximates market.

B. INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the police jury or its agent in the police jury's name
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the police jury's name.
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the police jury's name.

At December 31, 2005 the police jury had investments (book balances) totaling \$607,094 as follows:

| | <u>Category</u> | <u>Carrying Amount</u> | <u>Approximate Fair Value</u> |
|--|-----------------|------------------------|-------------------------------|
| Time Deposits (Maturities exceeding 90 days) | 1 | \$ 607,094 | \$ 607,094 |

C. SECURITY

Under state law, cash and investments (certificates of deposit) (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2005, the police jury has \$4,462,661 in cash and investments (certificates of deposit) (collected bank balances). These deposits are secured from risk by \$430,828 of federal deposit insurance and \$4,031,833 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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Notes to the Financial Statements
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Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the municipality that the fiscal agent has failed to pay deposited funds upon demand.

The following is a breakdown by banking institution and amount of the balances shown above:

| <u>Banking Institution</u> | <u>Amount</u> |
|----------------------------|--------------------|
| Demand deposits: | |
| Capital One | \$2,147,607 |
| Jeff Davis Bank | 1,063,160 |
| American Bank | 247,312 |
| The Bank | 1,256 |
| Time deposits: | |
| Jeff Davis Bank | <u>1,003,326</u> |
| Total | <u>\$4,462,661</u> |

5. RECEIVABLES

The following is a summary of receivables at December 31, 2005:

| <u>Class of Receivable</u> | <u>General Fund</u> | <u>E-911 Comm. District Fund</u> | <u>Criminal Court Fund</u> | <u>Courthouse and Jail Maintenance Fund</u> | <u>Other Governmental Fund</u> | <u>Total Governmental Fund</u> |
|--------------------------------|-------------------------|--|------------------------------------|---|--|--|
| Intergovernmental | | | | | | |
| Federal grants | \$ 24,341 | \$ - | \$ - | \$ - | \$ 91,216 | \$ 115,556 |
| Other state funds | 5,248 | - | - | 140 | 108,462 | 113,850 |
| Other | 10,840 | - | - | - | 52,557 | 63,397 |
| Fines & forfeitures | - | - | 117,894 | - | - | 117,894 |
| Accounts & other | 6,044 | 50,653 | - | - | 6,684 | 63,381 |
| | <u>\$ 46,473</u> | <u>\$ 50,653</u> | <u>\$ 117,894</u> | <u>\$ 140</u> | <u>\$ 258,919</u> | <u>\$ 474,079</u> |

Due to past collection history and short duration of outstanding amounts, no allowance for doubtful accounts has been established.

When the police jury assumed the Section 8 program in 1994 from the Acadia-Vermilion Community Action Program (AVCAP), \$83,880 belonging to the program was retained and spent by AVCAP. On September 21, 2000, a stipulated judgement was rendered in favor of the police jury and against Assist Agency, the successor to AVCAP, for the recovery of these funds. Assist Agency has agreed to comply with the judgement, and as a result, a receivable was established to record the reimbursable amount. According to this agreement, Assist Agency would pay a sum of ten to fifteen thousand dollars of unrestricted funds by January 1, 2001 to the police jury. As of December 31, 2005 the police jury has not received the sum agreed upon. In addition, under this agreement, the Assist Agency agreed to pay \$500 per month until the debt is paid in full. The police jury has received the scheduled payments. For the year ended December 31, 2005, the police jury received \$6,000 from Assist Agency as payment toward this debt. The remaining debt owed by Assist Agency to the police jury is \$52,380 included in the other governmental fund receivables above.

JEFFERSON DAVIS PARISH POLICE JURY
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Notes to the Financial Statements
As of and for the Year ended December 31, 2005

6. INTERFUND RECEIVABLES/PAYABLES

Details related to interfund receivables and payables balances as of December 31, 2005, are presented as follows:

| <u>Fund</u> | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|--------------------------------|---------------------------------|------------------------------|
| Major Governmental Activities: | | |
| General Fund | \$ 99,687 | \$ 65,330 |
| Criminal Court Fund | - | 51,726 |
| Special Revenue Account | - | 20,000 |
| Courthouse Maintenance | 6,524 | - |
| Nonmajor Governmental Funds | <u>58,806</u> | <u>27,961</u> |
| Total | <u>\$165,017</u> | <u>\$165,017</u> |

7. RESTRICTED ASSETS

Restricted assets were applicable to the following at December 31, 2005:

| | <u>Capital Projects Fund</u> | <u>Debt Service</u> |
|------|--------------------------------------|-------------------------|
| Cash | \$ 7,735 | \$ 62,470 |

The capital projects amounts are to be used for improvements of Sub Road District #2 and Silverwood sewer improvements. The debt service funds are restricted to the payment of bond and loan principal, interest and related debt financing costs only.

8. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2005 for the police jury is as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|---|------------------------------|------------------|-------------------|---------------------------|
| Governmental Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 299,550 | \$ 1,100 | \$ - | \$ 300,650 |
| Construction in progress | <u>312,063</u> | <u>-</u> | <u>312,063</u> | <u>-</u> |
| Total capital assets, not being depreciated | <u>\$ 611,613</u> | <u>\$ 1,100</u> | <u>\$ 312,063</u> | <u>\$ 300,650</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | \$ 4,964,997 | \$ 29,576 | \$ - | \$ 4,994,573 |
| Vehicles | 2,799,320 | 235,507 | 32,465 | 3,002,362 |
| Maintenance equipment | 1,799,848 | 45,798 | 18,900 | 1,826,746 |

JEFFERSON DAVIS PARISH POLICE JURY
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Notes to the Financial Statements
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| | Beginning Balance | Additions | Deletions | Ending Balance |
|---|----------------------|-------------------|------------------|----------------------|
| Machinery and equipment | \$ 882,050 | \$ 135,754 | \$ 1,080 | \$ 1,016,724 |
| Office furniture and equipment | 157,978 | 37,856 | 27,214 | 168,620 |
| Sewer & Sewer Improvements | - | 318,782 | - | 318,782 |
| Infrastructure | <u>1,490,775</u> | <u>2,539</u> | <u>-</u> | <u>1,493,314</u> |
| Total capital assets being depreciated | <u>\$12,094,968</u> | <u>\$ 805,812</u> | <u>\$ 79,659</u> | <u>\$ 12,821,121</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | \$ 2,377,457 | \$ 109,759 | \$ - | \$ 2,487,216 |
| Vehicles | 1,418,278 | 176,889 | 29,086 | 1,566,081 |
| Maintenance equipment | 950,362 | 112,445 | 7,538 | 1,055,269 |
| Machinery and equipment | 491,325 | 77,391 | 1,080 | 567,636 |
| Office furniture and equipment | 134,682 | 12,187 | 27,214 | 119,655 |
| Sewer & Sewer Improvements | - | 7,872 | - | 7,872 |
| Infrastructure | <u>27,152</u> | <u>49,767</u> | <u>-</u> | <u>76,919</u> |
| Total accumulated depreciation | <u>\$ 5,399,256</u> | <u>\$ 546,310</u> | <u>\$ 64,918</u> | <u>\$ 5,880,648</u> |
| Total capital assets being depreciated, net | <u>\$ 6,695,712</u> | <u>\$ 259,502</u> | <u>\$ 14,741</u> | <u>\$ 6,940,473</u> |

Depreciation expense of \$546,310 for the year ended December 31, 2005 was charged to the following governmental functions:

| | Governmental Activities |
|--------------------|----------------------------|
| General Government | \$ 197,480 |
| Public Safety | 226,466 |
| Public Works | <u>122,464</u> |
| Total | <u>\$ 546,310</u> |

9. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$927,412 at December 31, 2005, are as follows:

| | General Fund | E-911 Communication District Fund | Criminal Cour Fund | Courthouse Maintenance Fund | NonMajor Governmental Funds | Total Governmental Activities |
|-------------------------------------|-------------------|--|--------------------------|-----------------------------------|-----------------------------------|-------------------------------------|
| Accounts | \$ 69,346 | \$ 177 | \$ 7,805 | \$ 24,187 | \$ 95,305 | \$ 196,820 |
| Payroll deductions and withholdings | 119,533 | - | - | - | - | 119,533 |
| Fines | - | - | 71,323 | - | - | 71,323 |
| Protested taxes | 34,930 | - | - | 18,731 | 136,888 | 190,549 |
| Due to FEMA | 275,932 | - | - | - | - | 275,932 |
| Other | <u>20,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>53,255</u> | <u>73,255</u> |
| Total | <u>\$ 519,741</u> | <u>\$ 177</u> | <u>\$ 79,128</u> | <u>\$ 42,918</u> | <u>\$ 285,445</u> | <u>\$ 927,412</u> |

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10. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended December 31, 2005:

| | <u>Bonded Debt</u> |
|--|------------------------|
| Long-term obligations at beginning of year | \$ 913,000 |
| Additions | 170,000 |
| Deductions | <u>84,000</u> |
| Long-term obligations at end of year | <u>\$ 999,000</u> |

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of December 31, 2005:

| | <u>Bonded Debt</u> |
|-------------------|------------------------|
| Current portion | \$ 111,000 |
| Long-term portion | <u>888,000</u> |
| Total | <u>\$ 999,000</u> |

Bonds payable at December 31, 2005, are comprised of the following individual issues:

| <u>Bond</u> | <u>Original Issue</u> | <u>Interest Rate</u> | <u>Final Payment Due</u> | <u>Interest to Maturity</u> | <u>Principal Outstanding</u> | <u>Funding Source</u> |
|---|---------------------------|--------------------------|----------------------------------|-------------------------------------|----------------------------------|----------------------------|
| General Obligation Bonds: | | | | | | |
| Series 1999 Sub Road District No. 2, for improvements and construction of hard surface roads and drainage | \$ 96,000 | 4.50% to 5.00% | 4-1-2014 | \$ 16,518 | \$ 70,000 | Ad valorem tax revenues |
| Series 1994 Fire District No. 7 for buildings, machinery and equipment | 73,000 | 4.10% to 8.00% | 3-1-2014 | 10,969 | 42,000 | Ad valorem tax revenues |
| Certificates of Indebtedness: | | | | | | |
| Series 2002 Fire District No. 4 for acquiring and equipping new pumper tanker | 110,000 | 4.65% | 3-1-2009 | 5,115 | 66,000 | Ad valorem tax revenues |
| Series 2004 Fire District No. 4 for acquiring and equipping fire trucks and tankers | 210,000 | 1.75% to 4.30% | 3-1-2014 | 34,289 | 194,000 | Ad valorem tax revenues |
| Series 2004 for acquiring road and facilities maintenance equipment | 500,000 | 4.15% | 11-1-2014 | 91,508 | 457,000 | Excess revenues |

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Notes to the Financial Statements
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| <u>Bond</u> | <u>Original Issue</u> | <u>Interest Rate</u> | <u>Final Payment Due</u> | <u>Interest to Maturity</u> | <u>Principal Outstanding</u> | <u>Funding Source</u> |
|--|---------------------------|--------------------------|----------------------------------|-------------------------------------|----------------------------------|----------------------------|
| Series 2005 Fire District No. 5 for acquiring and equipping new fire truck | 170,000 | | 3-1-2012 | 20,924 | 170,000 | Ad valorem tax revenues |

The police jury issued Certificates of Indebtedness during 2005 in the amount of \$170,000 for the purpose of acquiring and equipping a new fire truck for Fire District No. 5. The principal portion of the certificates of indebtedness Series 2005 are payable beginning March 1, 2006. Certificates in the amount of \$25,000 are non-interest bearing. For the remaining certificates in the amount of \$145,000, the interest portion at a rate of 3.70 per cent per annum is payable every six months beginning September 1, 2005. The debt has been recorded as a liability in the government-wide financial statements.

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At December 31, 2005, the police jury has accumulated \$60,431 in the debt service funds for future debt requirements. The bonds are due as follows:

| <u>Year Ending December 31, 2005</u> | <u>Principal Payments</u> | <u>Interest Payments</u> | <u>Total</u> |
|--------------------------------------|-------------------------------|------------------------------|---------------------|
| 2006 | \$ 111,000 | \$ 34,966 | \$ 145,966 |
| 2007 | 114,000 | 31,891 | 145,891 |
| 2008 | 118,000 | 28,610 | 146,610 |
| 2009 | 122,000 | 24,800 | 146,800 |
| 2010 | 109,000 | 21,048 | 130,048 |
| 2011-2015 | 425,000 | 39,210 | 464,210 |
| Total | <u>\$ 999,000</u> | <u>\$ 180,524</u> | <u>\$ 1,179,524</u> |

11. INTERFUND TRANSFERS

Details related to interfund transfers as of December 31, 2005 are presented as follows:

| <u>Fund</u> | <u>Transfer In</u> | <u>Transfer Out</u> |
|-----------------------------------|------------------------|-------------------------|
| Major Governmental Activities: | | |
| General Fund | \$ - | \$ 295,000 |
| Special Revenue Account Fund | 6 | 60,001 |
| Non-major Governmental Activities | 399,476 | 44,481 |
| Total Governmental Activities | <u>\$ 399,482</u> | <u>\$ 399,482</u> |

12. PENSION PLANS

Substantially all employees paid by the Jefferson Davis Parish Police Jury are members of the following statewide retirement systems: Parochial Employees Retirement System of Louisiana (PERS), the Louisiana District Attorneys Retirement System (LDARS), the Louisiana State Employees' Retirement System (LASERS) and the Louisiana Firefighters' Retirement System (Firefighters). These systems are a cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

JEFFERSON DAVIS PARISH POLICE JURY
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A. Parochial Employees Retirement System of Louisiana (PERS)

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All participating employees of the police jury are members of Plan A, except for thirteen police jurors.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds are eligible to participate in the System. As of January 1, 1997, elected officials, except coroners and justices of the peace, may no longer join the retirement system. Those elected officials enrolled as of January 1, 1997 will maintain membership as long as they hold office. Effective July 1, 1997, new employees age 55 and older and who have 40 quarters or more of social security participation have an option to join the parochial system. New employees meeting the age and social security criteria have up to 90 days from the date of hire to elect to participate. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980 plus 3 percent of final-average salary for each year of service credited after the revision date. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana, 70898-4619, or by calling (225)-928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary and the Police jury is required to contribute at an statutory rate based on actuarially determined computations. The rate for 2005 is 12.75% of covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible (except for Orleans and East Baton Rouge parishes) by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Police jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Police jury's contribution to the System under Plan A for the year ending December 31, 2005, 2004 and 2003 was \$101,303, \$113,950, \$76,851, respectively, equal to the required contributions for each year.

B. Louisiana District Attorneys' Retirement System (LDARS)

Plan Description. The police jury pays a portion of the district attorney and assistant district attorneys salaries per LA RS 16:6. The district attorney and assistant district attorneys are members of the Louisiana District Attorneys Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Assistant district attorneys who earn, as a minimum, the amount paid by the state for

JEFFERSON DAVIS PARISH POLICE JURY
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assistant district attorneys and are under the age of 60 at the time of original employment and all district attorneys are required to participate in the System.

For members who joined the System before July 1, 1990, and who elected not to be covered by the new provisions, the following applies: Any member with 23 or more years of creditable service regardless of age may retire with a 3 percent benefit reduction for each year below age 55, provided that no reduction is applied if the member has 30 or more years of service. Any member with at least 18 years of service may retire at age 55 with a 3 percent benefit reduction for each year retiring below the age of 60. In addition, any member with at least 10 years of service may retire at age 60 with a 3 percent benefit reduction for each year retiring below the age of 62. The retirement benefit is equal to 3 percent of the member's average compensation multiplied by the number of years of his membership service, not to exceed 100 percent of his average final compensation.

For members who joined the system after July 1, 1990, or who elected to be covered by the new provisions the following applies: Members are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5 percent of the member's final-average compensation multiplied by years of membership service. A member is eligible for early retirement if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3 percent for each year the member retires in advance of normal retirement age. Benefits may not exceed 100 percent of final compensation. The System also provides death and disability benefits. Benefits are established by state statute.

The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana District Attorneys' Retirement System, 2109 Decatur Street, New Orleans, Louisiana, 70116, or by calling (504)-947-5551.

Funding Policy. Members are required by state statute to contribute 7.0 % of their annual covered salary and the police jury is required to contribute at a statutory rate based on actuarially determined computations. The rate was 3.75% from January 1, 2005 through June 30, 2005 and 6.00% from July 1, 2005 through December 31, 2005 of annual covered payroll. Contributions to the System also include .2 percent of the ad valorem taxes collected throughout the state and revenue sharing funds as appropriated by the legislature. The .2 percent is the statutory set rate that can be adjusted by the Public Retirement Systems' Actuarial Committee. State statute requires covered employees to contribute 7.0 % of their salaries to the System and requires each district attorney to provide employer contributions as needed to actuarially fund the system. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The police jury's contribution to the system for the year ending December 31, 2005, 2004 and 2003 was \$391, \$180, \$0, respectively, equal to the required contributions for each year.

C. Louisiana State Employees' Retirement System (LASERS)

Plan Description. The police jury also pays a portion of the Ward 2 judges salary per LA R.S. 13:1874. The judge participates in the Louisiana State Employees' Retirement System (LASERS), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The system was established and provided for within Title 11, Subtitle II, Chapter 1, of the Louisiana Revised Statutes. Benefit provisions are authorized within LRS 11:441-501.

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All state employees except certain classes of employees excluded by state statute become LASERS members as a condition of employment unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Elected officials (including the Ward 2 judge) may elect to become members of LASERS.

A member is eligible to retire after at least 10 years of service at age 60, 25 years at age 55, or after 30 years at any age. Effective January 1, 1996, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The system does provide for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable at a rate of 2.5% of the average of the highest three consecutive years of compensation, multiplied by the number of years of creditable service. Once an employee has accumulated 10 years of service, disability benefits apply based on the regular benefit formula without age restrictions.

Service and age requirements in order for a member to retire are established by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213 or call 1-800-830-0337.

Funding Policy. Members are required by state statute to contribute 11.5% of their annual covered salary and the police jury is required to contribute at a statutory rate based on actuarially determined computations. The rate for 2005 is 19.1 % of covered payroll. The contribution requirements of plan members and the police jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The police jury's contribution to the System for the year ending December 31, 2005, 2004 and 2003 was \$769 , \$700, \$623, respectively, equal to the required contributions for each year.

D. Firefighters' Retirement System of Louisiana

Plan Description. Membership in the Louisiana Firefighters' Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, Post Office Box 94095, Baton Rouge, Louisiana 70804, or by calling (225) 925-4060.

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Funding Policy. Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the police jury is required to contribute at an actuarially determined rate. The current rate is 18.00 percent of annual covered payroll. The contribution requirements of plan members and the police jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The police jury's contributions to the System for the year ending December 31, 2005, 2004, and 2003, were \$9,003, \$7,340, and \$0, respectively, equal to the required contributions for each year.

E. Other Pension Liabilities

The police jury pays a portion of the salaries for employees of the registrar of voters. These employees are also covered by multiple-employer public employees retirement systems requiring employee and employer contributions. The jury's and employees' contributions to the systems are considered immaterial with respect to the jury and the benefit systems as a whole.

13. OTHER POST-EMPLOYMENT BENEFITS

The police jury provides post-employment benefit options for hospitalization insurance and medicare supplemental insurance for retired police jury employees, police jury members and their spouses. The benefits are provided in accordance with police jury policy. The criteria to determine eligibility include years of service and employee age. The police jury funds the benefits on a pay-as-you-go basis. Eligible employees are required to pay a set percentage rate of the premiums set at the same rate the jury sets for its active employees. The police jury will fund the remaining percentage of the premiums. In 2005, the employer rate for regular employees was set at 81.79% of the premiums, and the employer rate for elected officials was set at 70% of the premiums. During 2005, eight participants were currently eligible and \$48,092 of expenses was recognized for post-employment benefits. Expenses for post-retirement benefits are recognized as eligible participant premiums are paid.

14. LEASES

The police jury records items under capital leases as an asset and an obligation in the accompanying financial statements. At December 31, 2005, the police jury was not committed to any long-term lease-purchase agreements.

The police jury has operating leases of the following nature:

| <u>Lease of</u> | <u>Term</u> | <u>Annual Consideration</u> |
|------------------------------|--------------------|---------------------------------|
| Maintenance yard-Lake Arthur | 10-1-05 to 10-1-06 | \$ 1,200 |
| Maintenance yard-Lacassine | 6-1-05 to 5-31-06 | 1,200 |
| Equipment parking lot | 3-1-05 to 3-1-06 | 1,200 |
| Fire station building | 6-16-80 to 6-15-10 | 100 |
| Fire equipment storage | 6-1-92 to 5-31-12 | 10 |

JEFFERSON DAVIS PARISH POLICE JURY
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Notes to the Financial Statements
As of and for the Year ended December 31, 2005

The minimum annual commitments under non-cancelable operating leases are as follows:

| Fiscal year: | Buildings, Land and Office Facilities |
|--------------|--|
| 2006 | \$ 1,714 |
| 2007 | 114 |
| 2008 | 114 |
| 2009 | 114 |
| Thereafter | 273 |
| Total | <u>\$ 2,329</u> |

15. LITIGATION AND CLAIMS

The police jury is involved as a defendant in law suits for injunctive relief, mandatory injunction, and damages stemming from denial of property rezoning, and damages resulting from an auto accident. No estimate of award or potential exposure to the police jury can be made at this time.

16. GRANT DISALLOWANCES

The police jury participates in a number of federally assisted grant programs. These programs are subject to the program compliance audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. Based on prior experience, the police jury's management feels such disallowances, if any, will be immaterial.

17. LANDFILL JOINT VENTURE

The police jury is a participant in a joint venture referred to as the Jefferson Davis Parish Sanitary Landfill Commission. This entity was chartered on February 17, 1984. The Commission's purpose is the establishment of a long-term plan for the disposal of solid wastes in Jefferson Davis Parish. According to the charter, each participant in the Commission is responsible for a pro rata share of any operating deficits. Likewise, any distributions of surpluses are also shared on a pro rata basis. Each participant's pro rata share is based on the number of households within each participant's unit to the total number of households within all participating units. These proportions were determined using the 1980 U. S. Census as follows:

| <u>Locality</u> | <u>Number of Households</u> | <u>Percentages</u> |
|---|-----------------------------|--------------------|
| Jennings | 4,161 | .421196 |
| Welsh | 1,167 | .118129 |
| Lake Arthur | 1,212 | .122684 |
| Parish (excluding Jennings, Welsh, Lake Arthur, & Elton) | <u>3,339</u> | <u>.337991</u> |
| Totals | <u>9,879</u> | <u>1.000000</u> |

The Commission consists of six commissioners as follows: two residents of Jennings, one resident of Welsh, one resident of Lake Arthur, and two residents of Jefferson Davis Parish living outside the city limits of Jennings, Welsh, Lake Arthur and Elton. The Commission members are to be appointed by the governing body of their place of residence.

JEFFERSON DAVIS PARISH POLICE JURY
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The Commission has the power and authority to employ personnel, adopt its own budget and enter into agreements necessary for the operation of the Landfill. In certain instances, some agreements must be consented to by all six members of the Commission. Separate financial statements are available from the Jefferson Davis Parish Landfill Commission upon request.

Condensed financial information for the Jefferson Davis Parish Sanitary Landfill as of December 31, 2005 were as follows:

| | <u>Total</u> | <u>Police Jury (33.7991%)</u> |
|---|--------------|-----------------------------------|
| Total assets | \$ 3,474,104 | \$ 1,174,216 |
| Total liabilities | 42,236 | 14,275 |
| Total equity | 3,431,868 | 1,159,941 |
| Total liabilities and equity | 3,474,104 | 1,174,216 |
| Total revenues | 927,410 | 313,456 |
| Total expenditures | 593,463 | 200,585 |
| Other financing sources (uses) | 674,000 | 227,806 |
| Net increase (decrease) in fund balance | (340,053) | (114,935) |

As of December 31, 2005, the Commission had no long-term debt outstanding.

During 2005, the Commission voted to make a distribution to the participating governments in the amount of \$634,000. In addition, the Commission distributed \$40,000 to the participating governments for economic development. For the Jefferson Davis Parish Police Jury, the distribution amounted to \$224,286, of which \$214,286 was based on household percentages as explained above, and is recorded as other intergovernmental revenues in the Special Revenue Account Fund. The \$10,000 distribution for economic development is recorded in the General Fund. There are no amounts due to this member government at December 31, 2005.

18. RESERVED FUND BALANCE

Reservations of fund balance show amounts that are not appropriate for expenditure or are legally restricted for specific uses. Generally, the purpose for each is indicated by the account title on the face of the balance sheet. The capital projects fund balance reserve is to be used for improvements of Sub Road District #2, Silverwood sewer improvements, purchase of road equipment, and purchase of equipment for Fire District #4. The debt service fund balance reserve is to be used for the payment of bond and loan principal, interest and related debt financing costs only.

19. RISK MANAGEMENT

The police jury is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The police jury has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. The police jury is insured up to policy limits for each of the above risks. There were no significant changes in coverages, retentions, or limits during the year ended December 31, 2005. Settled claims have not exceeded the commercial coverages in any of the previous three fiscal years.

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20. CRIMINAL COURT FUND

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at the year end be transferred to the parish General Fund. The following details the amount due at December 31, 2005:

| | |
|----------------------------------|------------------|
| Balance due at January 1, 2005 | \$ 61,136 |
| Amount due for 2005 | <u>51,726</u> |
| Total | \$ 112,862 |
| Remitted during 2005 | <u>61,136</u> |
| Balance due at December 31, 2005 | <u>\$ 51,726</u> |

21. WIRELESS E911 SERVICE

The Jefferson Davis Parish Police Jury is in Phase 1 of implementing wireless E911 services. For the year ended December 31, 2005 the police jury collected \$206,203 from emergency telephone service charge from wireless systems. The funds collected from the service charge will be used to buy and lease necessary equipment, supplies, and other items needed to implement wireless E911 services.

22. ON-BEHALF PAYMENTS FOR SALARIES

GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance* requires the police jury to report in the financial statements on-behalf salary payments made by the State of Louisiana to certain groups of police jury employees. Supplementary salary payments are made by the state directly to certain groups of employees. The police jury is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contribution made by the state. For the year ended December 31, 2005 the state paid supplemental salaries to the police jury's justices of the peace, constables and a fire chief. On-behalf payment recorded as revenues and expenditures in the general fund financial statements for the year ended December 31, 2005 totaled \$14,198.

23. SUBSEQUENT EVENTS

During September 2005, Hurricane Rita caused significant damage to Jefferson Davis Parish. The parish anticipates some of this loss to be recovered through Federal and State grants. At the present time the total loss to the parish and the amount of reimbursements is unknown.

Required Supplemental Information

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balances-
Budget (Cash Basis) and Actual
General Fund
For the Year Ended December 31, 2005

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance From</u> |
|---|-------------------------|---------------------|------------------------|----------------------|
| | <u>Original</u> | <u>Final</u> | <u>Budgetary Basis</u> | <u>Final Budget</u> |
| | | | | <u>Over (Under)</u> |
| Revenues | | | | |
| Taxes | | | | |
| Ad valorem | \$ 462,000 | \$ 432,297 | \$ 432,297 | \$ - |
| Other taxes, penalties, and interest | 4,853 | 4,545 | 4,546 | 1 |
| Licenses and permits | 188,464 | 189,856 | 190,012 | 156 |
| Intergovernmental revenues | | | | |
| Federal funds-federal grants | - | 1,097,097 | 1,097,098 | 1 |
| State funds | | | | |
| State revenue sharing (net) | 872,847 | 881,642 | 881,643 | 1 |
| Other | 10,000 | 8,617 | 8,617 | - |
| Local | | | | |
| Other | 11,498 | 15,096 | 15,097 | 1 |
| Fees, charges and commissions for services | 22,131 | 44,364 | 44,365 | 1 |
| Investment earnings | 3,800 | 10,650 | 12,568 | 1,918 |
| Other revenue | 167,261 | 25,264 | 25,172 | (92) |
| Total Revenues | <u>\$ 1,742,854</u> | <u>\$ 2,709,428</u> | <u>\$ 2,711,415</u> | <u>\$ 1,987</u> |
| Expenditures | | | | |
| General government | \$ 981,644 | \$ 758,999 | \$ 758,656 | \$ (343) |
| Public safety | 242,773 | 239,124 | 239,125 | 1 |
| Public works | 2,000 | - | - | - |
| Culture and recreation | 59,500 | 32,597 | 32,599 | 2 |
| Health and welfare | 56,160 | 55,295 | 55,317 | 22 |
| Economic development | 9,305 | 11,450 | 11,452 | 2 |
| Hurricane expenses | - | 941,644 | 941,645 | 1 |
| Capital outlay | - | 30,811 | 30,811 | - |
| Total Expenditures | <u>\$ 1,351,382</u> | <u>\$ 2,069,920</u> | <u>\$ 2,069,605</u> | <u>\$ (315)</u> |
| Excess of Revenues Over Expenditures | <u>\$ 391,472</u> | <u>\$ 639,508</u> | <u>\$ 641,810</u> | <u>\$ 2,302</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers out | \$ (443,345) | \$ (295,000) | \$ (295,000) | \$ - |
| Sale of capital assets | - | - | - | - |
| Total Other Financing Sources (uses) | <u>\$ (443,345)</u> | <u>\$ (295,000)</u> | <u>\$ (295,000)</u> | <u>\$ -</u> |
| Net Change in Fund Balance | (51,873) | 344,508 | 346,810 | 2,302 |
| Fund Balance (Deficit) at Beginning of Year | 51,463 | 51,463 | 51,463 | - |
| Fund Balance (Deficit) at End of Year | <u>\$ (410)</u> | <u>\$ 395,971</u> | <u>\$ 398,273</u> | <u>\$ 2,302</u> |
| Net change in fund balance-budget | | | \$ 346,810 | |
| Explanation of differences: | | | | |
| Revenue accruals | | | (94,962) | |
| Expenditure accruals | | | (45,134) | |
| Net Increase (Decrease) in Fund Balance-GAAP | | | <u>\$ 206,714</u> | |

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balances-
Budget (Cash Basis) and Actual
Major Fund - E-911 Communications District
For the Year Ended December 31, 2005

| | Budgeted Amounts | | Actual Amounts | Variance From |
|---|---------------------|-------------------|-------------------|------------------------------|
| | Original | Final | Budgetary Basis | Final Budget Over (Under) |
| Revenues | | | | |
| Investment earnings | \$ 5,750 | \$ 15,185 | \$ 17,414 | \$ 2,229 |
| Other revenue | 316,201 | 339,728 | 352,652 | 12,924 |
| Total Revenues | \$ 321,951 | \$ 354,913 | \$ 370,066 | \$ 15,153 |
| Expenditures | | | | |
| Public safety | \$ 243,899 | \$ 203,970 | \$ 203,972 | \$ 2 |
| Capital outlay | 659,599 | - | - | - |
| Total Expenditures | \$ 903,498 | \$ 203,970 | \$ 203,972 | \$ 2 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (581,547) | \$ 150,943 | \$ 166,094 | \$ 15,151 |
| Fund Balance (Deficit) at Beginning of Year | 602,009 | 602,009 | 602,009 | - |
| Fund Balance (Deficit) at End of Year | \$ 20,462 | \$ 752,952 | \$ 768,103 | \$ 15,151 |
| Excess (Deficiency) of revenues over expenditures - budget | | | \$ 166,094 | |
| Explanation of differences: | | | | |
| Revenue accruals | | | 590 | |
| Expenditure accruals | | | 16,195 | |
| Net Increase (Decrease) in Fund Balance-GAAP | | | \$ 182,879 | |

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balances-
Budget (Cash Basis) and Actual
Major Fund - Criminal Court Fund
For the Year Ended December 31, 2005

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance From Final Budget Over (Under) |
|---|--------------------|--------------------|-----------------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Fines and forfeitures | \$ 893,000 | \$ 774,706 | \$ 774,707 | \$ 1 |
| Investment earnings | 360 | 660 | 721 | 61 |
| Other revenue | 3,000 | 100 | 100 | - |
| Total Revenues | <u>\$ 896,360</u> | <u>\$ 775,466</u> | <u>\$ 775,528</u> | <u>\$ 62</u> |
| Expenditures | | | | |
| General government | \$ 932,360 | \$ 728,339 | \$ 728,347 | \$ 8 |
| Capital outlay | - | 10,869 | 10,869 | - |
| Total Expenditures | <u>\$ 932,360</u> | <u>\$ 739,208</u> | <u>\$ 739,216</u> | <u>\$ 8</u> |
| Excess of Revenues Over Expenditures | <u>\$ (36,000)</u> | <u>\$ 36,258</u> | <u>\$ 36,312</u> | <u>\$ 54</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | \$ - | \$ - | \$ - | \$ - |
| Transfers Out | (50,000) | (61,136) | (61,136) | - |
| Total Other Financing Sources (uses) | <u>\$ (50,000)</u> | <u>\$ (61,136)</u> | <u>\$ (61,136)</u> | <u>\$ -</u> |
| Net Change in Fund Balance | (86,000) | (24,878) | (24,824) | 54 |
| Fund Balance (Deficit) at Beginning of Year | <u>89,510</u> | <u>89,510</u> | <u>89,510</u> | <u>-</u> |
| Fund Balance (Deficit) at End of Year | <u>\$ 3,510</u> | <u>\$ 64,632</u> | <u>\$ 64,686</u> | <u>\$ 54</u> |
| Net change in fund balance-budget | | | \$ (24,824) | |
| Explanation of differences: | | | | |
| Revenue accruals | | | (20,299) | |
| Expenditure accruals | | | 26,302 | |
| Residual equity transfer to general fund | | | 61,136 | |
| Net Increase in Fund Balance-GAAP | | | <u>\$ 42,315</u> | |

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balances-
Budget (Cash Basis) and Actual
Major Fund - Courthouse & Jail Maintenance
For the Year Ended December 31, 2005

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance From</u> |
|--|-------------------------|-------------------|------------------------|----------------------|
| | <u>Original</u> | <u>Final</u> | <u>Budgetary Basis</u> | <u>Final Budget</u> |
| | | | | <u>Over (Under)</u> |
| Revenues | | | | |
| Taxes | | | | |
| Ad valorem | \$ 300,125 | \$ 278,477 | \$ 278,477 | \$ - |
| Intergovernmental revenues | | | | |
| State funds | | | | |
| State revenue sharing (net) | 25,830 | 25,865 | 25,865 | - |
| Local funds | | | | |
| Other | - | 9,000 | 9,000 | - |
| Investment earnings | 4,300 | 24,763 | 25,252 | 489 |
| Total Revenues | \$ 330,255 | \$ 338,105 | \$ 338,594 | \$ 489 |
| Expenditures | | | | |
| General government | \$ 374,591 | \$ 336,024 | \$ 336,163 | \$ 139 |
| Hurricane expense | - | 5,823 | 5,823 | - |
| Capital outlay | 775,664 | 2,081 | 2,082 | 1 |
| Total Expenditures | \$ 1,150,255 | \$ 343,928 | \$ 344,068 | \$ 140 |
| Excess of Revenues Over Expenditures | \$ (820,000) | \$ (5,823) | \$ (5,474) | \$ 349 |
| Fund Balance (Deficit) at Beginning of Year | 922,442 | 922,442 | 922,442 | - |
| Fund Balance (Deficit) at End of Year | \$ 102,442 | \$ 916,619 | \$ 916,968 | \$ 349 |
| Excess of revenues over expenditures - budget | | | \$ (5,474) | |
| Explanation of differences: | | | | |
| Expenditure accruals | | | (8,560) | |
| Net Increase in Fund Balance-GAAP | | | \$ (14,034) | |

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balances-
Budget (Cash Basis) and Actual
Major Fund - Special Revenue Fund
For the Year Ended December 31, 2005

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance From Final Budget Over (Under) |
|---|-------------------------|--------------------------|-----------------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenue | | | | |
| Local | \$ 40,000 | \$ 214,286 | \$ 214,286 | \$ - |
| Investment earnings | 540 | 15,266 | 15,475 | 209 |
| Other revenue | 14,400 | - | - | - |
| Total Revenues | <u>\$ 54,940</u> | <u>\$ 229,552</u> | <u>\$ 229,761</u> | <u>\$ 209</u> |
| Expenditures | | | | |
| Public works | \$ 60,000 | \$ - | \$ - | \$ - |
| Capital outlay | 607,332 | 13,116 | 13,116 | - |
| Other | - | 26 | 27 | (1) |
| Total Expenditures | <u>\$ 667,332</u> | <u>\$ 13,142</u> | <u>\$ 13,143</u> | <u>\$ (1)</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (612,392)</u> | <u>\$ 216,410</u> | <u>\$ 216,618</u> | <u>\$ 210</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | \$ - | \$ 5 | \$ 6 | \$ 1 |
| Transfers out | - | (60,001) | (60,001) | - |
| Total Other Financing Sources (Uses) | <u>\$ -</u> | <u>\$ (59,996)</u> | <u>\$ (59,995)</u> | <u>\$ 1</u> |
| Net Change in Fund Balance | <u>\$ (612,392)</u> | <u>\$ 156,414</u> | <u>\$ 156,623</u> | <u>\$ 211</u> |
| Fund Balance (Deficit) at Beginning of Year | <u>703,483</u> | <u>703,483</u> | <u>703,483</u> | <u>-</u> |
| Fund Balance (Deficit) at End of Year | <u><u>\$ 91,091</u></u> | <u><u>\$ 859,897</u></u> | <u><u>\$ 860,106</u></u> | <u><u>\$ 211</u></u> |
| Net change in fund balance-budget | | | \$ 156,623 | |
| Explanation of differences: | | | | |
| Revenue accruals | | | - | |
| Net Increase (Decrease) in Fund Balance-GAAP | | | <u><u>\$ 156,623</u></u> | |

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA

Notes to Budgetary Comparison Schedules
For the Year Ended December 31, 2005

Budget Basis of Accounting

All governmental funds' budgets are prepared on the cash basis of accounting. Budgeted amounts are as originally adopted or as amended by the police jury. Legally, the police jury must adopt a balanced budget; that is total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the police jury to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

Explanation of Significant Difference Between Original and Final Budget:

Capital outlay expense in the original budgets for the General Fund, E-911, Courthouse and Jail Maintenance Fund and Special Revenue Fund was significantly higher than the amounts in the final budget. The reason for the differences was because police jury personnel preparing the budget misunderstood that all revenues expected to be received had to be budgeted as expenses in each fund. Also, federal grant revenue and hurricane expense in the original budgets for the general fund was significantly lower than the amounts in the final budget. The reason for the difference was the unexpected expenses incurred and grants received as a result of Hurricane Rita.

Other Supplemental Schedules

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA
Combining Balance Sheet
Nonmajor Governmental Funds

December 31, 2005

| | Special Revenue | | | | | | | | | | | |
|--|------------------|-----------------|------------|---------------|------------|------------|---------------|------------|------------|---------------|------------|------------|
| | Sub Road | | | Fire District | | | Fire District | | | Fire District | | |
| | Parish Road Fund | Dist No. 1 Fund | No. 1 Fund | No. 1 Fund | No. 2 Fund | No. 2 Fund | No. 3 Fund | No. 3 Fund | No. 4 Fund | No. 5 Fund | No. 6 Fund | No. 7 Fund |
| ASSETS | | | | | | | | | | | | |
| Cash and cash equivalents | 2,283 | 35,409 | 45,979 | 382,158 | 39,269 | 12,978 | 107,053 | 89,960 | 42,292 | 204,459 | 4,845 | 78,602 |
| Cash held for protested taxes | - | 41,964 | 432 | 3,182 | 2,583 | 2,256 | 40,450 | 18,331 | 152 | 7,074 | 14,074 | 5,957 |
| Investments | - | - | - | 60,514 | 110,313 | - | - | - | - | - | - | - |
| Receivables (net of allowances for uncollectibles) | 99,625 | - | 37 | - | 5,479 | 5,450 | 13,389 | 900 | - | - | - | 52,557 |
| Due from other funds | 10,308 | 4,979 | - | - | - | - | - | - | - | 15,256 | 1,826 | 26,437 |
| Restricted cash and cash equivalents | - | - | - | - | - | - | - | - | - | - | - | - |
| Restricted cash held for protested taxes | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Assets | \$ 112,216 | \$ 82,352 | \$ 46,448 | \$ 445,854 | \$ 157,644 | \$ 20,684 | \$ 160,892 | \$ 108,791 | \$ 42,444 | \$ 226,789 | \$ 20,745 | \$ 110,996 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | | | | |
| Liabilities: | | | | | | | | | | | | |
| Accounts, salaries, and other payables | 86 | 49,644 | 21,109 | 10,183 | 14,509 | 10,351 | 48,154 | 26,109 | 357 | 19,935 | 14,732 | 16,432 |
| Contracts payable | - | - | 12,000 | - | - | - | - | - | - | - | - | - |
| Due to other funds | - | - | 4,114 | 8,915 | 7,566 | 5,632 | 6,108 | 6,065 | 514 | 14,253 | 1,656 | 52 |
| Deferred revenues | - | 6,918 | - | - | - | - | - | - | - | 14,711 | 3,804 | 14,774 |
| Total Liabilities | \$ 86 | \$ 56,562 | \$ 37,283 | \$ 19,098 | \$ 22,075 | \$ 15,983 | \$ 54,262 | \$ 32,174 | \$ 871 | \$ 48,899 | \$ 20,192 | \$ 31,258 |
| Fund balances: | | | | | | | | | | | | |
| Reserved for: | | | | | | | | | | | | |
| Debt service | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital projects | - | - | - | - | - | - | - | - | - | - | - | - |
| Unreserved, undesignated | 112,130 | 25,790 | 9,165 | 426,756 | 135,569 | 4,701 | 106,630 | 76,617 | 41,573 | 177,890 | 553 | 79,738 |
| Total Fund Balances | \$ 112,130 | \$ 25,790 | \$ 9,165 | \$ 426,756 | \$ 135,569 | \$ 4,701 | \$ 106,630 | \$ 76,617 | \$ 41,573 | \$ 177,890 | \$ 553 | \$ 79,738 |
| Total Liabilities and Fund Balances | \$ 112,216 | \$ 82,352 | \$ 46,448 | \$ 445,854 | \$ 157,644 | \$ 20,684 | \$ 160,892 | \$ 108,791 | \$ 42,444 | \$ 226,789 | \$ 20,745 | \$ 110,996 |
| | | | | | | | | | | | | \$ 112,609 |

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA
Combalancing Balance Sheet
Nonmajor Governmental Funds

December 31, 2005

| | Capital Project | | | | Debt Service | | | | Total |
|--|---|---|--|--|--|--|---|---------------------------------------|--------------|
| | Sub Rd #2 Topsy Rd Dist Const Fund | Silverwood Sewer LCDB Grant Fund | Special Revenue COI 2004 Fund | Fire District No. 4 COI 2004 Fund | Sub Rd #2 Topsy Rd Sinking Fund | Fire District No. 7 Sinking Fund | Fire District No. 4 Sinking Fund | Special Revenue Sinking Fund | |
| ASSETS | | | | | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Cash held for protested taxes | - | - | - | - | - | - | - | - | - |
| Investments | - | - | - | - | - | - | - | - | - |
| Receivables (net of allowances for uncollectibles) | - | - | - | - | - | - | - | - | - |
| Due from other funds | - | - | - | - | - | - | - | - | - |
| Restricted cash and cash equivalents | 7,696 | 39 | - | - | 20,066 | 24,017 | 17,953 | - | 58,806 |
| Restricted cash held for protested taxes | - | - | - | - | 243 | 191 | - | - | 434 |
| Total Assets | \$ 7,696 | \$ 39 | \$ - | \$ - | \$ 20,309 | \$ 24,208 | \$ 17,953 | \$ - | \$ 1,105,343 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts, salaries, and other payables | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 191 | \$ - | \$ - | \$ 285,448 |
| Contracts payable | - | - | - | - | - | - | - | - | - |
| Due to other funds | - | - | - | - | - | - | - | - | - |
| Deferred revenues | - | - | - | - | 900 | 708 | - | - | 27,961 |
| Total Liabilities | \$ - | \$ - | \$ - | \$ - | \$ 1,144 | \$ 899 | \$ - | \$ - | \$ 80,729 |
| Fund balances: | | | | | | | | | |
| Reserved for: | | | | | | | | | |
| Debt services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 23,309 | \$ 17,953 | \$ 4 | \$ 60,431 |
| Capital projects | 7,696 | 39 | - | - | - | - | - | - | 7,735 |
| Unreserved, undesignated | - | - | - | - | - | - | - | - | 1,256,369 |
| Total Fund Balances | \$ 7,696 | \$ 39 | \$ - | \$ - | \$ 19,165 | \$ 23,309 | \$ 17,953 | \$ 4 | \$ 1,324,535 |
| Total Liabilities and Fund Balances | \$ 7,696 | \$ 39 | \$ - | \$ - | \$ 20,309 | \$ 24,208 | \$ 17,953 | \$ 4 | \$ 1,718,673 |

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA
Nonmajor Governmental FundsCombining Statement of Revenues, Expenditures and
and Changes in Fund Balances

For the Year Ended December 31, 2005

| Special Revenue | | | | | | | | | | | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---|---|---|------------------------|--|--|
| Parish Road Fund | Sub Road Dist No. 1 Fund | Fire District No. 1 Fund | Fire District No. 2 Fund | Fire District No. 3 Fund | Fire District No. 4 Fund | Fire District No. 5 Fund | Fire District No. 6 Fund | Fire District No. 7 Fund | Special Ward Road & Bridge Div One Fund | Special Ward Road & Bridge Div Two Fund | Special Ward Road & Bridge Div Three Fund | Section 8 Housing Fund | | |
| \$ - | \$ 120,387 | \$ 49,804 | \$ 169,186 | \$ 160,315 | \$ 124,431 | \$ 106,819 | \$ 93,382 | \$ 8,335 | \$ 297,129 | \$ 51,712 | \$ 227,435 | \$ - | | |
| 10,308 | 5,694 | 6,400 | 18,904 | 78,171 | 26,037 | 13,379 | 22,641 | - | 19,477 | 2,711 | 28,001 | 509,075 | | |
| 308,592 | - | - | - | - | - | - | - | - | - | - | - | - | | |
| 143,526 | - | 1,908 | - | - | - | - | - | - | - | - | 9,842 | - | | |
| - | - | 3,227 | 7,079 | 4,878 | 3,269 | 4,469 | 8,838 | 96 | - | - | 33,473 | - | | |
| - | - | - | - | - | - | - | 47,477 | - | - | - | - | - | | |
| 249 | 522 | 381 | 12,120 | 4,732 | 1,229 | 1,248 | 633 | 213 | 1,005 | 257 | 1,005 | 1,907 | | |
| - | 772 | 3,640 | 312 | 5,075 | 11,890 | - | - | - | 754 | 34 | 1,589 | 35,250 | | |
| \$ 462,675 | \$ 127,375 | \$ 64,580 | \$ 207,601 | \$ 253,171 | \$ 167,356 | \$ 125,915 | \$ 172,971 | \$ 8,844 | \$ 318,365 | \$ 54,714 | \$ 301,545 | \$ 546,232 | | |
| EXPENDITURES | | | | | | | | | | | | | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| - | - | 50,317 | 111,663 | 140,131 | 73,152 | 59,501 | 151,824 | 7,802 | - | - | - | - | | |
| 736,434 | 112,617 | - | - | - | - | - | - | - | 227,422 | 54,231 | 199,542 | - | | |
| - | - | - | - | - | - | - | - | - | - | - | - | 544,820 | | |
| - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| - | - | 20,104 | 22,609 | 93,264 | 51,575 | 179,923 | 19,960 | 1,367 | 730 | - | 54,666 | - | | |
| 11,274 | 2,891 | 730 | - | - | 3,721 | 1,476 | 1,357 | - | 13,438 | 241 | 21,985 | - | | |
| - | - | - | - | - | - | - | 2 | - | - | - | - | - | | |
| \$ 242,708 | \$ 115,508 | \$ 71,151 | \$ 134,272 | \$ 233,395 | \$ 128,448 | \$ 240,900 | \$ 173,633 | \$ 9,169 | \$ 241,590 | \$ 54,472 | \$ 276,193 | \$ 544,820 | | |
| \$ (785,033) | \$ 11,867 | \$ (6,571) | \$ 73,329 | \$ 19,776 | \$ 38,908 | \$ (114,985) | \$ (662) | \$ (325) | \$ 76,775 | \$ 242 | \$ 25,152 | \$ 1,412 | | |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | | | | | |
| \$ 295,000 | \$ - | \$ - | \$ - | \$ - | \$ 17 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| - | - | - | - | - | (42,580) | (1,878) | - | - | - | - | - | - | | |
| - | - | - | - | - | - | 170,000 | - | - | - | - | - | - | | |
| - | - | - | - | - | 4,600 | - | 500 | - | 7,544 | - | - | - | | |
| \$ 295,000 | \$ - | \$ - | \$ - | \$ - | \$ (37,963) | \$ 168,122 | \$ 500 | - | \$ 7,544 | \$ - | \$ - | \$ - | | |
| \$ 9,967 | \$ 11,867 | \$ (6,571) | \$ 73,329 | \$ 19,776 | \$ 945 | \$ 53,137 | \$ (162) | \$ (325) | \$ 84,319 | \$ 242 | \$ 25,152 | \$ 1,412 | | |
| 102,163 | 13,923 | 15,736 | 353,427 | 115,793 | 3,756 | 53,493 | 76,779 | 41,898 | 93,571 | 311 | 54,586 | 57,845 | | |
| \$ 112,130 | \$ 25,790 | \$ 9,165 | \$ 426,756 | \$ 135,569 | \$ 4,701 | \$ 106,630 | \$ 76,617 | \$ 41,573 | \$ 177,890 | \$ 553 | \$ 79,738 | \$ 59,257 | | |
| Total Other Financing Sources and Uses | | | | | | | | | | | | | | |
| Net Change in Fund Balance | | | | | | | | | | | | | | |
| Fund balances -- beginning | | | | | | | | | | | | | | |
| Fund balances -- ending | | | | | | | | | | | | | | |

JEFFERSON DAVIS PARISH POLICE JURY, LOUISIANA
Nonmajor Governmental FundsCombining Statement of Revenues, Expenditures and
and Changes in Fund Balances

For the Year Ended December 31, 2005

| | Capital Projects | | | | Debt Service | | | | Total Nonmajor Governmental Funds |
|--|---|---|--|--|--|--|---|---|--|
| | Sub Rd #2 Topsy Rd Dist Const Fund | Silverwood Sewer LCDB Grant Fund | Special Revenue COI 2004 Fund | Fire District No. 4 COI 2004 Fund | Sub Rd #2 Topsy Rd Sinking Fund | Fire District No. 7 Sinking Fund | Fire District No. 4 Sinking Fund | Fire District No. 5 Sinking Fund | |
| REVENUES | | | | | | | | | |
| Ad valorem | \$ - | \$ - | \$ - | \$ - | \$ 14,954 | \$ 11,750 | \$ - | \$ - | \$ 1,435,039 |
| Intergovernmental revenues: | | | | | | | | | |
| Federal grants | - | 34,892 | - | - | - | - | - | - | 775,690 |
| State funds: | | | | | | | | | |
| Parish transportation funds | - | - | - | - | - | - | - | - | 308,592 |
| State revenue sharing (net) | - | - | - | - | - | - | - | - | 155,276 |
| Other | - | - | - | - | - | - | - | - | 65,329 |
| Local funds | - | - | - | - | - | - | - | - | 47,477 |
| Investment earnings | - | - | 58 | - | - | - | - | - | 26,059 |
| Other revenues | - | - | - | - | - | - | - | - | 59,418 |
| Total Revenues | \$ - | \$ 34,892 | \$ 58 | \$ - | \$ 14,954 | \$ 11,750 | \$ - | \$ 78 | \$ 2,872,860 |
| EXPENDITURES | | | | | | | | | |
| General government | \$ - | \$ - | \$ - | \$ - | \$ 330 | \$ - | \$ - | \$ 275 | \$ 625 |
| Public safety | - | - | - | - | - | 374 | - | - | 594,764 |
| Public works | - | - | 13 | - | - | - | - | - | 1,330,259 |
| Health and welfare | - | - | - | - | - | - | - | - | 544,820 |
| Debt service | - | - | - | - | 9,605 | 6,319 | 42,062 | 1,878 | 59,804 |
| Capital outlay | - | 6,719 | 12,386 | - | - | - | - | - | 119,668 |
| Hurricane expenses | - | - | - | - | - | - | - | - | 463,293 |
| Other | - | - | - | - | - | - | - | - | 57,613 |
| Total Expenditures | \$ - | \$ 6,719 | \$ 12,399 | \$ - | \$ 9,935 | \$ 6,693 | \$ 42,062 | \$ 1,878 | \$ 3,111,044 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ - | \$ 28,173 | \$ (12,341) | \$ - | \$ 4,999 | \$ 5,057 | \$ (42,062) | \$ (1,874) | \$ (238,164) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers in | \$ - | \$ - | \$ - | \$ 239 | \$ - | \$ - | \$ 42,341 | \$ 1,878 | \$ 399,476 |
| Transfers out | - | - | (6) | (17) | - | - | - | - | (44,481) |
| Proceeds from certificate of indebtedness | - | - | - | - | - | - | - | - | 170,000 |
| Sale of capital assets | - | - | - | - | - | - | - | - | 12,644 |
| Total Other Financing Sources and Uses | \$ - | \$ - | \$ (6) | \$ 222 | \$ - | \$ - | \$ 42,341 | \$ 1,878 | \$ 537,639 |
| Net Change in Fund Balance | \$ - | \$ 28,173 | \$ (12,347) | \$ 222 | \$ 4,999 | \$ 5,057 | \$ 279 | \$ 4 | \$ 299,475 |
| Fund balances - beginning | 7,696 | (28,134) | 12,347 | (222) | 14,166 | 18,252 | 17,574 | - | 1,025,060 |
| Fund balances - ending | \$ 7,696 | \$ 39 | \$ - | \$ - | \$ 19,165 | \$ 23,309 | \$ 17,933 | \$ 4 | \$ 1,324,535 |

Other Reports

JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2005

SCHEDULE OF COMPENSATION PAID TO POLICE JURORS

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the police jury has elected the monthly payment method of compensation. Under this method, the president receives \$900 per month, and the other jurors receive \$800 per month.

| | |
|-------------------------|-------------------|
| Melton Alfred | \$ 9,600 |
| Robert J. Broussard | 9,600 |
| Don Davis | 9,600 |
| Bradley Eastman | 9,600 |
| Steve Eastman | 9,600 |
| Leroy Faul | 9,600 |
| Larry Fontenot | 9,600 |
| Pierre J. Galley | 9,600 |
| Johnny Guinn | 9,600 |
| Harry Levy | 9,600 |
| John P. Marceaux | 9,600 |
| Bill Wild | 9,600 |
| Donald Woods, President | <u>10,800</u> |
| Total | <u>\$ 126,000</u> |

JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2005

| <u>Federal Grantor/ Pass-Through Grantor/ Program Name</u> | <u>Pass-Through Entity Identifying Number</u> | <u>Federal CFDA Number</u> | <u>Expenditures</u> |
|---|---|------------------------------------|----------------------------|
| <u>United States Department of Housing and Urban Development</u> | | | |
| Section 8 Housing Choice Voucher Program | LA 188VO | 14.871 | \$ 509,575 |
| Community Development Block Grant Program (Passed through Louisiana Division of Administration) | 597853 | 14.219 | 6,719 |
| Emergency Shelter Grants Program (Passed through Louisiana Department of Social Services) | LA CFMS# 624072 | 14.231 | 1,702 |
| <u>United States Department of Homeland Security</u> | | | |
| Public Assistance Program (Passed through Louisiana Military Department Office of Homeland Security and Emergency Preparedness) | FEMA-1603-DR-LA FEMA-1607-DR-LA | 97.036 | 900,070 |
| Assistance to Firefighters Grant | EMW-2004-FG-08993 | 97.044 | 59,841 |
| State Domestic Preparedness Equipment Support Program (Passed through Louisiana Military Department Office of Homeland Security and Emergency Preparedness) | 2003-TE-TX-0163 2003-MU-T3-0022 | 97.004 | 97,762 |
| <u>United States Department of Transportation</u> | | | |
| Formula Grants for Other than Urbanized Areas (Passed through Louisiana Department of Transportation and Development) | LA-18-X021 LA-18-X022 | 20.509 | <u>146,312</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 1,721,981</u> |

JEFFERSON DAVIS PARISH POLICE JURY
JENNINGS, LOUISIANA

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2005

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the police jury and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the police jury provided federal awards to subrecipients as follows:

| | <u>Federal CFDA Number</u> | <u>Expenditures</u> |
|--|------------------------------------|---------------------|
| Passed through Louisiana Department of Transportation and Development: Formula Grants for other than Urbanized Areas | 20.509 | \$ 146,312 |
| Passed through Louisiana Department of Social Services | 14.231 | 1,702 |

EDWARD L. KRIELOW

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510 N. CUTTING

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Jefferson Davis Parish Police Jury
Jennings, Louisiana

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jefferson Davis Parish Police Jury, as of and for the year ended December 31, 2005, which collectively comprise the Jefferson Davis Parish Police Jury's basic financial statements and have issued my report thereon dated August 1, 2006. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Jefferson Davis Parish Police Jury's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement could adversely affect the Jefferson Davis Parish Police Jury's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2005-04.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe none of the reportable conditions described above are a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Jefferson Davis Parish Police Jury's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items 2005-01, 2005-02, 2005-03, and 2005-04.

This report is intended solely for the information and use of the finance committee, managements, Police Jurors, the Legislative Auditor, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Edward L. Krielow
Certified Public Accountants

Jennings, Louisiana
August 1, 2006

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Jefferson Davis Parish Police Jury
Jennings, Louisiana

Compliance

I have audited the compliance of the Jefferson Davis Parish Police Jury, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal programs for the year ended December 31, 2005. The Jefferson Davis Parish Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs are the responsibility of the Jefferson Davis Parish Police Jury's management. My responsibility is to express an opinion on the Jefferson Davis Parish Police Jury's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Jefferson Davis Parish Police Jury's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Jefferson Davis Parish Police Jury's compliance with those requirements.

In my opinion, the Jefferson Davis Parish Police Jury complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2005.

Internal Control Over Compliances

The management of the Jefferson Davis Parish Police Jury is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the Jefferson Davis Parish Police Jury's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within

a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the finance committee, management, Police Jurors, the Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Edward L. Krielow

Certified Public Accountants

Jennings, Louisiana

August 1, 2006

JEFFERSON DAVIS PARISH POLICE JURY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2005

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Jefferson Davis Parish Police Jury.
2. Four reportable conditions relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Jefferson Davis Parish Police Jury were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the Jefferson Davis Parish Police Jury expresses an unqualified opinion on all major federal programs.
6. No audit findings relative to the major federal award programs for the Jefferson Davis Parish Police Jury are reported in this Schedule.
7. The programs tested as major programs included:

| Federal Grantor/ Pass-Through Grantor/ Program Name | CFDA Number |
|---|----------------|
| <u>United States Department of Housing and Urban Development</u> Section 8 Housing Choice Voucher Program | 14.871 |
| <u>United States Department of Homeland Security</u> Public Assistance Program | 97.036 |

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The Jefferson Davis Parish Police Jury was determined to be a low-risk auditee.

FINDINGS-FINANCIAL STATEMENT AUDIT

REPORTABLE CONDITIONS

2005-01 Statutory Compliance

Condition: The police jury provided use of its multi-purpose building to M.L. King, Inc., Jeff Davis Living Center, and Council on Aging without compensation which is prohibited by the Louisiana Constitution.

Criteria: Article 7, Section 14 of the Louisiana Constitution prohibits the funds, credit, property, or things of value of any political subdivision from being loaned, pledged, or donated to or for any person, association, or corporation, public or private.

Effect: Providing office facilities and buildings use without compensation is prohibited by Article 7, Section 14 of the Louisiana Constitution.

Recommendation: The police jury should ensure that compensation is received for use of its facilities.

2005-02 Statutory Compliance

Condition: A review of expenditures disclosed that the police jury did not obtain three facsimile or telephone quotations for the purchase of a new computer system in the amount of \$14,935 which is prohibited by Louisiana Revised Statutes.

Criteria: Louisiana R.S. 38:2212.1 prohibits the purchase of any materials or supplies exceeding the sum of ten thousand dollars but less than twenty thousand dollars without obtaining three facsimile or telephone quotations.

Effect: Purchase of a computer system in the amount of \$14,935 without obtaining three facsimile or telephone quotations is prohibited by Louisiana R.S. 38:2212.1.

Recommendation: The police jury should inform its employees of the requirements of the Public Bid Law as stated by Louisiana R.S. 38:2212 and ensure that future purchases comply with its requirements.

2005-03 Statutory Compliance

Condition: A review of bank reconciliations indicated that 34 items in the amount of \$1,271 were outstanding for a period greater than one year and were not remitted to the Louisiana Unclaimed Property Division as required by Louisiana Revised Statutes.

Criteria: Louisiana R.S. 9:151-181 provides that all funds that remain unclaimed after a certain holding period be remitted to the Louisiana Unclaimed Property Division.

Effect: Failure to submit unclaimed funds that were held for greater than one year to the Louisiana Unclaimed Property Division is prohibited by Louisiana R.S. 9:151-181.

Recommendation: The police jury should submit the amounts to the state unclaimed property division and ensure that unclaimed property reports and funds are submitted in a timely manner to comply with Louisiana R.S. 9:151-181.

2005-04 Internal Control over Grant Applications

Condition: A review of grant applications disclosed that a fire district used separate employer identification numbers from that of the Jefferson Davis Parish Police Jury for the application. Since fire districts are a component of the Police Jury, all grant applications should be applied for using the Jefferson Davis Parish Police Jury's identification number.

Criteria: Police jury management is responsible for establishing internal control policies and procedures that provide reasonable assurance that Federal and State grant requirements are being followed.

Effect: Failure to adhere to proper internal controls over grant applications could result in noncompliance with grant requirements.

Recommendation: The police jury should inform its fire districts that separate employer identification numbers should not be used and require that the Jefferson Davis Parish Police Jury's employer identification number be used on all grant applications.

FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

JEFFERSON DAVIS PARISH POLICE JURY
JENNINGS, LOUISIANA

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2005

| Ref. No. | Fiscal Year Finding Initially Occurred | Description of Finding | Corrective Action Taken (Yes, No, Partially) Yes | Planned Corrective Action/Partial Corrective Action Taken |
|----------|--|--|---|---|
| 2004-01 | 2004 | A review of expenditures disclosed that \$1,173 of expenses for Fire District No. 4 were paid to a business that is owned by a police juror's immediate family which is prohibited by LA R.S. 42:1113 | Yes | The police jury has informed its employees of related parties and instructed them to not make any purchases from such parties. |
| 2004-02 | 2004 | A review of sick leave records disclosed that sick leave was not being calculated according to police jury policy. The police jury policy states that no employee should accumulate over 60 days of sick leave. The sick leave records indicate that some employees were allocated sick leave in excess of the 60 day limit. | Yes | The police jury has reviewed and adjusted leave records as necessary and calculations are being made according to police jury policy. |
| 2004-03 | 2004 | A review of expenditures disclosed that numerous expenditures were supported by purchase orders dated after the purchase date. | Yes | Police jury employees have been instructed to prepare orders according to the jury's established policies and procedures. All invoices are reviewed before payment is made to ensure that purchase orders are properly prepared and signed. |
| 2004-04 | 2004 | A review of payroll expenses disclosed that payroll checks were being signed by only one employee and in some instances by the employee to whom the check was written. | Yes | The police jury has implemented a dual signature requirement for all payroll checks. |

JEFFERSON DAVIS PARISH POLICE JURY
JENNINGS, LOUISIANA

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2005

| Ref. No. | Fiscal Year Finding Initially Occurred | Description of Finding | Corrective Action Taken (Yes, No, Partially) | Planned Corrective Action/Partial Corrective Action Taken |
|-------------------------------|--|---|--|---|
| 2004-05 | 2004 | The audit report was not submitted to the Legislative Auditor within six months of the close of the police jury's year end of December 31, 2004 as required by LA R.S. 24:514. Due to the implementation of GASB 34 and numerous complications that resulted therefrom, the police jury failed to provide required information to its auditor on a timely basis. As a result the report was not submitted on a timely basis. | Yes | The audit report of the police jury for the year ended December 31, 2004 has been submitted to the Legislative Auditor. |
| 2004-06 | 2004 | LA R.S. 42:7.1 states that written minutes of public bodies should contain the substance of all matters decided. It was noted in a review of Fire District No. 5's minutes that information on the adoption of a resolution ordering a special election for a tax levy continuation was not included. Further, the minutes did not contain any reference to the resolution reporting the results of the election in November, 2004. | Yes | The police jury has informed the fire districts of the requirements of R.S. 42:7.1 and requires that the minutes of the fire districts contain substance of all matters decided in accordance with the statute. |
| Management Letter: 2004-M1 | 2004 | During our audit, we noted some instances where employee's time cards were not approved by their supervisor. | No | As of December 31, 2005 the police jury is in the process of implementing a policy whereby all time records have to be initialed or signed by the employee and approved by the employee's supervisor and monitored on a periodic basis. |

JEFFERSON DAVIS PARISH POLICE JURY
JENNINGS, LOUISIANA

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2005

| Ref. No. | Fiscal Year Finding Initially Occurred | Description of Finding | Corrective Action Taken (Yes, No, Partially) | Planned Corrective Action/Partial Corrective Action Taken |
|----------|--|---|--|---|
| 2004-M2 | 2004 | During our audit, we noted that there is a lack of internal control over cash receipts for permits and multi purpose building rentals. | Yes | The police jury has implemented a policy whereby a listing of the cash receipts are supplied to the assistant secretary-treasurer and is cross referenced to the daily receipt log, bank statement and general ledger. |
| 2004-M3 | 2004 | During our audit, we noted that sick leave and vacation time were not being properly tracked for some employees. | Partially | As of December 31, 2005, the police jury has implemented a policy whereby employee sick leave and vacation time is properly tracked, however, not all are being approved by the employee's supervisor. |
| 2003-M1 | 2003 | A review of employee personnel files indicated that the files contained noncurrent information or lack of pertinent information. | Partially | Some employee personnel files have been updated, however, the police jury will continue its process of updating the remaining personnel files so that all pertinent information is current and agrees with computer payroll records. |
| 2001-M2 | 2001 | Assist Agency agreed to fulfill the demands of a stipulated judgment and pay the police jury a sum of ten to fifteen thousand dollars by January 1, 2001 for funds owed to the Section 8 program. As of December 31, 2001 that sum was not received by the police jury. | Partially | The police jury has determined that payment of the lump sum owed by the Assist Agency would jeopardize the agency. Therefore, the police jury has agreed to accept an increased monthly payment in lieu of the lump sum payment. However, as of December 31, 2005, the monthly payments from Assist Agency continue to be \$500 as originally stated in the agreement, and have not been increased. |

JEFFERSON DAVIS PARISH POLICE JURY
Jennings, Louisiana

**Corrective Action Plan for Current Year Audit Findings
For the Year Ended December 31, 2005**

| Ref. No. | Description of Finding | Corrective Action Planned | Name(s) of Contact Person | Anticipated Completion Date |
|-------------------------------|--|---|---------------------------|-----------------------------|
| 2005-01 | The police jury provided use of its multi purpose building to M.L. King, Inc., Jeff Davis Living Center, and Council on Aging without compensation. This action is prohibited by Article 7, Section 14 of the Louisiana Constitution. | The police jury will ensure that adequate compensation is received for use of its facilities in the future. | Donald Woods | Immediately |
| 2005-02 | A review of expenditures disclosed that the police jury purchased a new computer system in the amount of \$14,935 without obtaining three facsimile or telephone quotations which is prohibited by LA R.S. 38:2212.1. | The police jury will inform its employees of the requirements of LA R.S. 38:2212 and ensure that purchases will comply with its requirements. | Donald Woods | Immediately |
| 2005-03 | A review of bank reconciliations indicated that 34 items in the amount of \$1,271 were outstanding for a period greater than one year and were not remitted to the Louisiana Unclaimed Property Division as required by LA R.S. 9:151-181. | The police jury will submit the amounts to the state unclaimed property division and ensure that unclaimed property reports and funds are submitted in a timely manner to comply with LA R.S. 9:151-181. | Donald Woods | Immediately |
| 2005-04 | A review of grant applications disclosed that Fire District No. 3 used separate employer identification numbers from that of the Jefferson Davis Parish Police Jury for the grant applications. Since the fire districts are a component unit of the police jury, all grant applications should be applied for using the Jefferson Davis Parish Police Jury's identification number. | The police jury will inform its fire districts that separate employer identification numbers should not be used and require that the Jefferson Davis Parish Police Jury's employer identification number be used on all grant applications. | Donald Woods | Immediately |
| Management Points: 2005-M1 | A review of expenditures disclosed that Fire District No. 3 paid \$13,553 to reimburse volunteer fire for its volunteer firemen payroll. For control purposes and to ensure proper payroll reporting, payments for the volunteer firemen should be made directly to the fire district's firemen instead of through the volunteer fire associations. | The police jury will inform its fire districts that payroll for volunteer firemen should not be paid through the volunteer fire associations and will require that payments are made directly to the volunteers. | Donald Woods | Immediately |

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MANAGEMENT LETTER

To the Management
of the Jefferson Davis Parish Police Jury

In planning and performing my audit of the financial statements of the Jefferson Davis Parish Police Jury for the year ended December 31, 2005, I not only considered internal control and compliance with laws, regulations and grants, but I also made note of other operations and procedures used by the jury for the efficient and effective management of its assets. While the item listed in this letter is not considered a material violation and not required to be disclosed as a reportable condition, I feel it is of significant importance that additional action should be considered by the jury.

CONDITION 1:

A review of expenditures disclosed that Fire District No. 3 paid \$13,553 to reimburse volunteer fire associations for its volunteer firemen payroll. For control purposes and to ensure proper payroll reporting, payments for the volunteer firemen should be made directly to the fire district's firemen instead of through the volunteer fire associations.

The police jury should inform its fire districts that payroll for volunteer firemen should not be paid through the volunteer fire associations and that payments should be made directly to the volunteers.

I will be available to the jury for any assistance they deem necessary in consulting and/or implementing any changes proposed as a result of the aforementioned conditions. This letter is intended solely for the information and use for the finance committee, management, the Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this letter is a matter of public record and its distribution is not limited.

Edward L. Krielow

Certified Public Accountants

Jennings, Louisiana
August 1, 2006